How much life insurance do you need?

Life insurance protects the people you care about and who depend on you financially.

Think about your insurance needs in terms of what you owe, how much you make and any money that might be available to help offset those demands.

There are several factors to consider when determining how much life insurance you need. This worksheet helps make the math simple.

Use it to determine your current life insurance needs. But keep in mind, your coverage can be adjusted up or down to fit your budget and personal preferences.

Think about your insurance needs in terms of what you owe, how much you make and any money that might be available to help offset those demands.

### Cash needs
- **Final expenses** (cost of funeral is approximately $8,755*): $ ____________
- **Debts:**
  - Mortgage: $ ____________
  - Car loan(s): $ ____________
  - Credit card(s): $ ____________
  - Student loan(s): $ ____________
  - Other debt: $ ____________

**Total cash needs** (add all debts to final expenses): $ ____________ (A)

### Annual income
- **$ ____________**
- **Percent of current income needed for survivors:** ____________ %
  (75% is a good starting point for most people)
- **Number of years:** ____________
  (Years until retirement, or number of years to replace income if different)

**Total income needs** (Income x percent to replace x number of years): $ ____________ (B)

### Resources available
- **Existing life insurance:** $ ____________
- **Savings:** $ ____________
- **Retirement assets** (401(k), IRA, etc.): $ ____________
- **Investments:** $ ____________
- **Other:** $ ____________

**Total resources available** (add the numbers above): $ ____________ (C)

**Life insurance gap** \((A + B - C) = ____________\)

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* The national median cost of a funeral for calendar year 2017 was $7,360. If a vault is included, something that is typically required by a cemetery, the median cost is $8,755. The cost does not take into account cemetery, monument or marker costs or miscellaneous cash advance charges, such as for flowers or an obituary. Source: National Funeral Directors Association, www.nfda.org or http://nfda.org/about-funeral-service/trends-and-statistics.html